

CLEAN AIR ACT SECTION 112(r) INSPECTION REPORT

Ochoa Industrial Sales Corporation

Catano, Puerto Rico

GENERAL INFORMATION

Stationary Source	Ochoa Industrial Sales Corporation
Date of Inspection	January 20, 2009
USEPA Inspector	Ellen Banner, – USEPA, REGION II (Edison, NJ) Carlos Rivera, USEPA – Region II, Caribbean Office
Contract Auditor	Neil Mulvey, Sullivan Group (Subcontractor)
Description of Activities	<ul style="list-style-type: none">• Opening meeting with facility representative.• Program audit.• Closing meeting with facility representatives. Program audit consisted of the following activities: <ol style="list-style-type: none">1. Document review.2. Field verification.3. Personnel interviews

STATIONARY SOURCE INFORMATION

EPA Facility ID #	1000 0003 2181
Date of Latest Submission (used for RMP inspection)	Receipt Date: February 15, 2006 (Re-submission) Anniversary Date: February 13, 2011
Facility Location	Bo. Palmas PR Road # 869 Westgate Industrial Park Street #2 Catano, PR 00962 Tel. (787) 781-8000
Number of Employees	RMP*Submit states 144 employees (per RMP registration). Facility reported 72 employees. Non-union.

Description of Surrounding Area	The facility is located in a commercial / industrial section of Catano in an area called Westgate Industrial Park. The facility is surrounded on three sides by other commercial / industrial facilities (a tank manufacturer is located on the east side; retail personal storage business is located on the west side). Route 22 borders the facility immediately to the south. The nearest residential community is located approximately 2,200-ft. to the east.
Participants	Ellen Banner, USEPA – Region II, Edison, NJ Carlos Rivera, USEPA – Region II, Caribbean Office Neil P. Mulvey, USEPA Contractor – Sullivan Group Rafael Marti, Vice President&General Manager-Ochoa* Dora Chevres, Traffic Manager - Ochoa Hector Berrios Miranda, Operations Maintenance Supervisor – Ochoa William Casillas, Warehouse Supervisor - Ochoa Carlos Amador, Consultant – ERM, PR * Lead representative for Ochoa

REGISTRATION INFORMATION

Process ID #	64869 – Ammonia Storage & Transfer
Program Level (as reported in RMP)	Program 3
Process Chemicals	Anhydrous ammonia @ 29,000-lbs. (Registered quantity)
NAICS Code	48422 (Specialized Freight (except used goods) Trucking, Local)

Process ID #	64870 – Chlorine Storage
Program Level (as reported in RMP)	Program 3
Process Chemicals	Chlorine @ 60,000-lbs. (Registered quantity)
NAICS Code	48422 (Specialized Freight (except used goods) Trucking, Local)

Process ID #	64871 – ETO Storage
Program Level (as	Program 3

reported in RMP)	
Process Chemicals	Ethylene oxide @ 24,400-lbs. (Registered quantity)
NAICS Code	48422 (Specialized Freight (except used goods) Trucking, Local)

GENERAL COMMENTS

NOTE:

The facility is registered under the RMP program as “Ochoa Industrial Sales Corporation.” Since their latest submission in February 2006, the facility was purchased by Mays Chemical Company (headquartered in Indianapolis, IN). The purchase was complete in February 2008. Management reported that May Chemical Company is the fourth largest chemical distributor in the US. However, since the current registration lists the name Ochoa Industrial Sales Corporation, this report will utilize that name.

Ochoa Industrial Sales, Corp. is a chemical distribution facility that receives, stores, and distributes chemicals to the chemical, pharmaceutical, and food industries on the island of Puerto Rico. Chemicals are received in various size portable containers (5-gals. pails, 55-gals. drums, totes, and tank trucks). The facility also re-packages chemicals from bulk quantities into smaller containers (i.e., tank trucks to small portable containers). Materials are stored in outside covered areas and in warehouses. The facility does not manufacture chemicals (i.e., no chemical reactions) or blend chemicals.

Ochoa listed the following RMP regulated materials in its RMP registration document:

- Anhydrous ammonia
- Chlorine
- Ethylene oxide

At the time of this inspection, there was no chlorine on-site. The facility did previously store 1-ton chlorine cylinders during a PRASA workforce action. Ochoa serves as a back-up to PRASA for chlorine cylinder storage during ‘emergency’ situations. The facility wants to be permitted to store chlorine cylinders and has therefore included chlorine in its RMP registration.

At the time of this inspection, there was no anhydrous ammonia on-site. The facility had intentions to store isotainers of anhydrous ammonia (estimated 5,000-gals.). Ochoa expects storage of anhydrous ammonia to be an intermittent activity. The 29,000-lbs. registration quantity is based on one isotainer of anhydrous ammonia on-site at a time.

Facility management reported that they receive for distribution aqueous ammonia at concentrations up to 29%. Aqueous ammonia is an RMP regulated material at

concentrations $\geq 20\%$ with a threshold quantity of 20,000-lbs. The facility has not included aqueous ammonia in its RMP registration.

At the time of this inspection, there were approximately 66 drums of ethylene oxide on-site (estimated 400-lbs./drum), totaling approximately 26,400-lbs., versus a registration quantity of 24,400-lbs. Ethylene oxide is received in drums, stored, and distributed and on an average 60 drums are in storage.

RMP DOCUMENTATION

Ochoa has a RMP/PSM Manual, dated August 2005. The manual contains written procedures for all RMP elements. For each RMP element, the written procedure includes:

- Purpose
- Scope
- Responsibility
- Procedure
- Recordkeeping requirements

The manual emphasizes the PSM regulated processes (such as solvent handling and re-packaging) rather than the RMP regulated materials. Documentation includes written programs and procedures as described below.

Management System [40 CFR 68.15] & Registration

Mr. Rafael Marti, Vice President & General Manager for Ochoa, has overall responsibility for implementation of the RMP program. Other personnel, including outside consulting support, provide assistance as necessary. Facility management demonstrated a good understanding of RMP program requirements and company programs and procedures designed to maintain compliance.

The facility has a written description of its management system, but it does not reflect the current management team. The description of each RMP element includes discussion on 'responsibilities' for implementation of that element.

Hazard Assessment [40 CFR 68.20]

The facility utilized EPA's RMP*Comp and OCA Guidance Tables to determine the Worst Case and Alternative Case release scenarios. Scenario descriptions and assumptions, parameters input to the models, distance to endpoints, and environmental receptors were appropriate.

Process Safety Information (PSI) [40 CFR 68.65]

Minimal process safety information (PSI) was available for review. The facility does have MSDSs available for the three RMP regulated materials. Applicable PSI information that was not available for review includes:

- Specifications on storage containers (isotainers, drums, smaller containers)
- Electrical classification for storage area; particularly applicable for ethylene oxide since this material is flammable
- Ventilation system design (if applicable)
- Design codes and standards
- Description of safety systems

Process Hazard Analysis (PHA) [40 CFR 68.67]

A process hazard analysis (PHA) study using the What-If/Checklist technique was conducted on April 28, 2005. The PHA was led and the process was documented by an outside consultant. The PHA's main focus was on the most hazardous aspects of Ochoa's operations (i.e., solvent handling and re-packaging). At present, there is no ammonia or chlorine stored on site. When facility management makes the determination to bring these materials on site, a PHA which addresses their specific hazards at their storage locations should be conducted before the material is brought onto the facility. Since ethylene oxide is presently stored on site, a PHA which addresses its specific hazards at its location on site should be conducted.

Standard Operating Procedures (SOPs) [40 CFR 68.69]

The RMP/PSM Manual contains general operating procedures for material unloading and storage. The procedures are not explicit for the RMP regulated materials. The procedures do not address process deviations or instructions on how to address process deviations.

There was no record of annual certification of the operating procedures.

Training [40 CFR 68.71]

The Ochoa facility has a training program which focuses on safety and health hazards, emergency operations and safe work practices. Refresher training is provided every three years – the last refresher training was conducted in 2007. Documentation was available to establish that each employee has received and understood the training provided.

Mechanical Integrity [40 CFR 68.73]

The facility has written mechanical integrity procedures, however they are general and not specific to the RMP regulated equipment. As a distribution center, the mechanical integrity requirements are minimal, however the following type of equipment should be included in a mechanical integrity inspection and test schedule:

- Forklift trucks for transport of containers storing RMP regulated chemicals
- Fire alarm / suppression systems
- Ventilation systems (if applicable)
- Storage racks (if applicable)

There was no documentation provided that the equipment listed above undergoes appropriate checks and inspections to assure that it is being used and maintained in accordance with accepted design specifications and the manufacturer's instructions.

Management of Change (MOC) [40 CFR 68.75] & Pre-Startup Review (PSR) [40 CFR 68.77]

The RMP/PSM manual includes written procedures for management of change (MOC) and pre-startup review (PSR), including forms for documenting completed reviews. Facility management reported that there have been no process changes requiring MOC/PSR review, therefore there were no records of MOC/PSR available for review.

Compliance Audits [40 CFR 68.79]

The most recent RMP/PSM compliance audit was conducted between July – September 2008, just after the acquisition by Mays Chemical. The audit was led by an outside consultant and appeared to be complete and comprehensive. A complete report of the audit was available for review. A total of 26 findings are documented in a summary report that is used to track the recommendations to resolution. Sixteen of the 26 findings remain unresolved and have not been assigned completion dates.

Incident Investigation [40 CFR 68.81]

The RMP/PSM manual includes written incident investigation procedures, including a form for documenting investigations. Facility management reported no incidents of RMP chemicals requiring investigation.

Employee Participation [40 CFR 68.83]

The RMP/PSM manual includes a written employee participation procedure. The procedure includes a table that describes how employees participate in each RMP element.

Hot Work Permit [40 CFR 68.85]

The facility has a written hot work permit (HWP) procedure, but no form or permit to document implementation of procedure. There were no completed HWP available for review.

Contractor Safety [40 CFR 68.87]

The RMP/PSM Manual contains written procedures for contractor safety. The contractor safety procedures include requirements for contractor selection and contractor orientation, as well as a description of the contractors' responsibilities. The procedure does not include a requirement for contractor periodic evaluation.

Facility management reported minimal use of outside contractors so there were no contractor files available for review.

Emergency Response [40 CFR 68.90 – 68.95]

The facility has a written emergency response plan which details procedures to be followed and protective equipment to be worn in responding to a chemical release. The plan includes possible assistance from the local fire department and emergency services, if needed. Since Ochoa's materials are shipped through out the island, an agreement is in place with Clean Harbors to have them respond to an accidental release on the roads.

FACILITY TOUR

Several items noted during the facility tour include:

- Containers holding RMP regulated materials are stored at various locations throughout the facility. These areas may vary and are not identified in any particular manner. Additionally, other materials, such as construction debris (i.e., bricks, wood, etc.) are stored immediately adjacent to containers of ethylene oxide. **The facility should consider designating specific areas for the storage of RMP regulated materials to improve management oversight, inspection, and control.**
- An advertising billboard is located directly above ethylene oxide and chlorine storage areas. Facility management explained that the advertising company personnel periodically enters the site and performs work on the platforms surrounding the billboard, above the RMP material storage area. This work, particularly if it involves hot work or electrical work, presents a potential hazard to the RMP regulated process. This hazard has not been identified in the PHA study nor is it being controlled via contractor safety. **The facility should evaluate this potential hazard and take corrective action as necessary.**

FINDINGS

Process Safety Information (PSI) [40 CFR 68.65]

- The following PSI documentation was not available for review: electrical classification, ventilation system design, design codes and standards, and description of safety systems. **The facility should compile all necessary PSI, including electrical classification (40 CFR 68.65(d)(1)(iii)), ventilation system design (40**

CFR 68.65(d)(1)(v)), design codes and standards (40 CFR 68.65(d)(1)(vi)), and description of safety systems (40 CFR 68.65(d)(1)(viii)).

Process Hazard Analysis (PHA) [40 CFR 68.67]

- A process hazard analysis (PHA) study using the What-If/Checklist technique was conducted on April 28, 2005. The PHA's main focus was on the most hazardous aspects of Ochoa's operations (i.e., solvent handling and re-packaging). **The facility should add the hazards associated with the storage of ethylene oxide to the existing PHA - as required by 40 CFR 68.67(c)(1).**

Standard Operating Procedures (SOPs) [40 CFR 68.69]

- The RMP/PSM manual contains general operating procedures for material unloading and storage. The procedures are not explicit for the RMP regulated materials. The procedures do not address process deviations or instructions on how to address process deviations. **The facility should develop SOPs specific to the RMP regulated processes, as required by 40 CFR 68.69(a).**
- There was no record of annual certification of SOPs. **The facility should annually certify operating procedures to confirm that they are current and accurate, in accordance with 40 CFR 68.69(c).**

Mechanical Integrity [40 CFR 68.73]

- The facility does not have a list of equipment included in a mechanical integrity inspection and test schedule, such as forklift trucks for transport of containers storing RMP regulated chemicals, fire alarm / suppression systems, ventilation systems (if applicable), storage racks (if applicable). **The facility should perform inspections and tests of RMP regulated equipment consistent with accepted good engineering practices, as required by 40 CFR 68.73(d)(4) and (f)(2).**

Compliance Audits [40 CFR 68.79]

- A total of 26 findings are documented in a summary report of a 2008 RMP/PSM compliance audit. Sixteen of the 26 findings remain unresolved and have not been assigned completion dates. **The facility should establish a schedule and complete resolution of all findings from the 2008 compliance audit, as required by 40 CFR 68.79(d).**

Contractor Safety [40 CFR 68.87]

- The contractor safety procedure does not include a requirement for contractor periodic evaluation. **The facility should ensure that the contractor safety procedure includes requirements for periodically evaluating contractor performance in fulfilling their obligations, as required by 40 CFR 68.87(b)(5).**

RECOMMENDATIONS

Registration Information

- Facility management reported that they receive for distribution aqueous ammonia at concentrations up to 29%. Aqueous ammonia is an RMP regulated material at concentrations $\geq 20\%$ with a threshold quantity of 20,000-lbs. The facility has not included aqueous ammonia in its RMP registration. **The facility should evaluate and determine if greater than the threshold quantity of $\geq 20\%$ aqueous ammonia will be stored on-site. If so, the RMP registration must be amended to include this regulated material.**
- The facility is owned and is currently doing business as May Chemical Company, while it is registered as Ochoa Industrial Sales Corporation. The facility was purchased by Mays Chemical in February 2008. **The facility should submit an updated RMP registration listing the correct facility name and owner/operator, facility contact, and emergency contact.**
- The facility has a registered maximum quantity of 24,400 pounds of ethylene oxide with the RMP Reporting Quantity. However, approximately 26,400 gallons were observed during the inspection. **The facility should update its RMP registration to include the new maximum quantity of ethylene oxide and any other RMP-regulated substances at the facility, as discussed in 40 CFR 68.160(b)(7).**

Management System [40 CFR 68.15]

- The facility does have a written description of its management system, but it does not reflect the current management team. The description of each RMP element includes discussion on ‘responsibilities’ for implementation of that element. **The facility should develop an updated and accurate description of its RMP management system, as required by 40 CFR 68.15(a).**

Hot Work Permit [40 CFR 68.85]

- The facility has a written hot work permit (HWP) procedure, but no form or permit to document implementation of procedure. **The facility should ensure that the HWP procedure includes a means to document implementation of the procedure, if Hot Work is done, as required by 40 CFR 68.85(b) and 29 CFR 1910.252(a).**